

# Terrorist Financing Risk Assessment for the NPO sector in Mauritius

## Executive Summary

1. This risk assessment was commissioned by the Government of Mauritius as part of its commitment as a member of Financial Action Task Force's (FATF) Global Network<sup>1</sup> to combat the financing of terrorism. It was completed with support from the EU-funded Global AML/CFT Facility Consultants who developed the methodology for the assessment and provided technical support.
2. The risk assessment meets the core FATF requirements in relation to Recommendation 8 and Immediate Outcome 10. Specifically, paragraph 8.1 of the FATF Methodology which states that countries should:
  - 8.1 (a) *identify which subset of organizations fall within the FATF definition of NPO;*
  - (b) *identify the features and types of NPOs which by virtue of their activities or characteristics, are likely to be at risk of terrorist financing abuse; and*
  - (c) *identify the nature of threats posed by terrorist entities to the NPOs which are at risk as well as how terrorist actors abuse those NPOs.*
3. The risk assessment identified the following types of NPOs as meeting the FATF definition of NPOs.

	<b>Type</b>	<b>Relevant law</b>
1	Associations	The Registration of Associations Act 1978 (as amended)
2	Charitable Foundations	The Foundation Act 2012, as amended 2018
3	Charitable Trusts	The Trusts Act 2001
4	Companies Limited by Guarantee	The Companies Act 2001 (as amended)

4. Data used in this risk assessment included a survey response of 879 NPOs; data submissions from the FIU and Bank of Mauritius; a questionnaire of nine law enforcement agencies; interviews with eight supervisory bodies; and reviews of relevant laws, as well as other relevant literature. A combined qualitative and quantitative assessment was undertaken.
5. There are no known cases or suspicions of terrorist financing abuse of NPOs in Mauritius. The assessment therefore considered:
  - a) The size and nature of the overall TF threat in Mauritius;
  - b) Analysis of TF abuse of NPOs in other jurisdictions; and of other forms of financial abuse of NPOs in Mauritius;
  - c) Qualitative assessments of the likely nature of the risk from law enforcement, supervisory and NPO officials.

<sup>1</sup>Mauritius is a member of ESAAMLG, the FATF-Style Regional Body for East and Southern Africa.

6. Three possible TF threats to NPOs in Mauritius were identified.

**Nature of the TF Threat to NPOs in Mauritius**

1. The abuse of NPOs to promote extremist ideologies.
2. The abuse of NPOs to finance or facilitate foreign terrorist fighters.
3. The abuse of NPOs to finance terrorism overseas.

7. Features, characteristics or activities were identified which increase the risk of TF abuse amongst NPOs in Mauritius.

**NPO activities likely to be at increased risk of TF abuse**

1. Cross border movement of funds.
2. Alternative sources of funds and remittance systems.
3. Involvement in complex international transactions or structures.
4. Cash fund-raising from anonymous sources.
5. Ethnic or religious activities – The link between ethnic or religious groups known to be sympathetic to extremist causes and terrorist financing risk.

8. Overall, the risk assessment noted the lack of known cases of TF in NPOs in Mauritius, and overall the risk factors for NPOs were unusual or very rare. In this context, the overall inherent risk of terrorist financing abuse of NPOs in Mauritius was assessed as Low-Medium.

**Inherent TF Risk of NPOs in Mauritius**

**Low-Medium**